

**LEA Medi-Cal Billing Option Program  
Claims Processing Issues**

	<b>Issue Description</b>	<b>Status</b>	<b>EPC <sup>(1)</sup></b>
<b>1</b>	<b>Federal Medical Assistance Percentage (FMAP):</b> Claims paid at incorrect FMAP rate. LEAs were reimbursed 100% of the maximum allowable rate, (instead of 50%) for warrant dates prior to November 13, 2006.	Resolved Issue as of 11/6/2006	Implemented: 12/26/2007
<b>2</b>	<b>National Code 96100 (Code Terminated 10/31/06, Replaced with 96101):</b> Claims billed with 96100 after October 31, 2006 with dates of service prior to October 31, 2006 were incorrectly reimbursed at the IEP/IFSP amended psychological assessment maximum allowable rate.	Resolved Issue as of 6/25/2007	Implemented: 12/26/2007
<b>3</b>	<b>National Code 96101 (Effective for Dates of Service 11/1/06):</b> Claims billed with 96101 with dates of service prior to November 1, 2006 were incorrectly reimbursed and should be legitimately denied.	Resolved Issue as of 6/25/2007	No impact on paid claims.
<b>4</b>	<b>Timeliness Cutbacks:</b> Claims with dates of service on or after January 1, 2007 are no longer subject to timeliness cutbacks. Claims with dates of service prior to January 1, 2007 are subject to timeliness cutbacks.	Resolved Issue as of 6/25/2007	No impact on paid claims.
<b>5</b>	<b>Local Code End Date Error:</b> Claims billed with local codes for dates of service on June 30, 2006 were incorrectly denied.	Resolved Issue as of 10/1/2007	TBD
<b>6</b>	<b>IEP/IFSP Amended Assessment Denials:</b> Amended assessments billed with national codes were incorrectly denied with RAD codes 9863 and 9656 due to the lack of initial/triennial or annual assessment history.	Estimated Resolution: January 2008	TBD
<b>7</b>	<b>Additional Treatment Service Denials:</b> Additional treatment service claims billed with modifier 22 are currently being incorrectly denied with RAD code 0010, indicating the treatment service is a duplicate of a previously paid claim.	Estimated Resolution: January 2008	TBD
<b>8</b>	<b>Additional Treatment Service Unit Cut Backs:</b> Additional treatment service claims billed with modifier 22 are currently being incorrectly limited to less than 21 additional units of service (RAD code 0435).	Estimated Resolution: After January 2008	TBD
<b>9</b>	<b>Reimbursement of Initial Treatment Services:</b> Initial treatment services are currently being incorrectly reimbursed at the maximum allowable rate multiplied by the number of units billed. Initial treatment services should be reimbursed at one maximum allowable initial treatment service rate regardless of the number of units billed (1, 2, or 3).	Estimated Resolution: After January 2008	Implemented: 12/26/2007 for payments through 10/9/2006; payments after this will be corrected in a separate EPC.

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<b>10</b>	<b>National Codes 96150 and 96151 Unit Cut Backs:</b> Codes 96150 and 96151 are used for both IEP/IFSP and non-IEP/IFSP assessments. IEP/IFSP assessments are incorrectly cut back to a maximum of four units (the non-IEP/IFSP maximum units per day utilization control).	Estimated Resolution: After January 2008	TBD
<b>11</b>	<b>Other Health Coverage (OHC) Denials:</b> Claims denied with RAD codes indicating that OHCs must be billed first (e.g., 0311 and 0657) may not be legitimate denials.	Estimated Resolution: After January 2008	TBD
<b>12</b>	<b>Managed Care Denials:</b> Claims were incorrectly denied with RAD code 0037 for IEP/IFSP beneficiaries due to managed care eligibility.	Estimated Resolution: After January 2008	TBD
<b>13</b>	<b>Reimbursement Based on Modifiers:</b> Claims with incorrect or invalid procedure code and modifier combinations are incorrectly reimbursed at a “basic rate” and should be legitimately denied due to improper billing.	Resolution in Process	TBD
<b>14</b>	<b>Targeted Case Management (TCM) Service Denials:</b> TCM claims billed with code T1017 are potentially denying incorrectly with RAD codes 0008 and 0065, indicating the provider is not eligible to provide the service. If the LEA has submitted a TCM Labor Survey they should be able to bill for TCM services.	Resolution in Process	TBD
<b>15</b>	<b>Incorrect RAD Code Associated with Legitimate Denials:</b> Claims are currently limited to at the maximum daily utilization control for treatment services and an incorrect RAD code 9173 (LEA services are limited to 24 occurrences per year) is associated with the legitimate denials. Claims should be denied with RAD code 9162 (LEA services exceed the maximum units allowed per day).	Resolution in Process	No impact on paid claims.
<b>16</b>	<b>IEP/IFSP Services Limited to 24 Per Year Error:</b> Some claims billed with local codes and YX modifier are incorrectly denied with RAD code 9173, indicating services are being capped at the non-IEP/IFSP yearly utilization control of 24 services per year. This issue appears to be limited to one LEA, where the billing software is dropping the YX modifier.	Resolution in Process	TBD

Note <sup>(1)</sup>: Claims processing errors will result in Erroneous Payment Corrections (EPCs) and claims overpaid/underpaid in error will be corrected. Overpaid claims will result in withholds from future claims. Underpaid claims will result in a check written to the LEA. Correction dates to be determined.